

MEETING SUMMARY NOTES

Legislation Work Group

November 7, 2002

10:30 a.m., Mayor's Conference Room

MEMBERS: Present – Beatty Brasch, Brian Krannawitter, Ken Winston, Bill Austin, Steve Larrick, Bob Peterson, Alan Hersch, and Chris Beutler, Allan Abbott (non-voting).

Absent – Jan Gauger, Bruce Bohrer, Linda Crump, Darlene Starman

OTHERS: Kent Morgan, Margaret Blatchford, Corrie Kielty, Roger Figard, Jack Moors, Mark Bowen, Margaret Remmenga, Melissa Ramos.

AGENDA ITEMS DISCUSSION:

1. Welcome - Allan Abbott, Interim Work Group Chair

Allan Abbott opened the meeting. Linda Crump and Jan Gauger were unable to attend the meeting, therefore, Allan sat in as chair of the meeting. Allan introduced Melissa Ramos, Public Works & Utilities, who will be attending the work group meetings in order to take minutes.

2. Meeting Summary Notes - October 24, 2002

Kent Morgan asked if there were any changes that needed to be made to the October 24, 2002, minutes. Bill Austin indicated that in agenda item six, **LR 414 and the “Transportation Task Force for Nebraska’s Future,”** the wording in paragraph seven needed to be changed to read, “Jan Gauger asked if a gas tax increase would likely require a vote of the general electorate. Bill Austin indicated that he thought it probably would **NOT** require such action.”

Allan Hersch, requested that as gas tax is discussed in the future, it be referred to as fuel tax or gasoline tax.

3. Meeting Protocol and Rules

Allan Abbott stated that although this group will need to finish earlier than the other groups, however, meeting protocol and rules still need to be established. Jan Gauger asked Kent Morgan to go over two items with the group today.

The first of those items is the public comment period. The other groups are using a ten minute comment period at the beginning of their agenda. They will allow anyone to come in and have three minutes to speak to the group. Beatty Brasch stated that she is concerned that if something

is on the agenda that day, it will be difficult for people to comment before it has been discussed. She suggested that there could be a public comment period at the time the agenda item is being discussed. Kent Morgan stated that one of the existing rules is that a member of the community can not talk while the group is talking. Allan Abbott suggested having a ten minute comment period prior to the agenda items, and ten minutes at the end. The group decided that there will be a comment period prior to the beginning of the agenda items and one following the agenda items. If information is needed prior to a vote, the group will allow community members to speak at those times.

The second issue is regarding the decision making process. The other groups will allow the chair to make a decision based upon the overall consensus of the group. If there were two or more opinions regarding an issue, they would be contained in the minutes. Allan Abbott suggested that if there is not a consensus among the group, the issue should be dropped as there is not a majority supporting it. Beatty Brasch added that if there was not consensus among the group, someone should be allowed to request a vote. The group could also send forward the two opinions to the larger group for review.

4. Funding Gap - PW&U Staff

A short presentation by Public Works staff was shown to the work group explaining the funding gap and how it was calculated. Margaret Remmenga, Public Works and Utilities Business Manager, reviewed the Water and Wastewater revenues and expenditures for fiscal year 2002-2003. The monetary figures in the presentation were taken from the current approved budget.

Roger Figard filled in for Steve Masters, who was unable to attend, and presented the typical annual revenues and expenses. Those figures were then calculated over the next six years in order to show how much money is available for growth. The bottom line is that there is not enough money to support what is in the Comprehensive Plan.

Hand-outs of the presentation were given to the Group Members.

Allan Abbott added that in 1980 the area inside the city limits was 60 square miles. Today, there are 79 square miles within the city limits. The Comprehensive Plan calls for 20 square miles being added to the City over the next 10 to 12 years. If we are going to do in 12 years what we did in 20, we are going to need more money faster than we did in the past.

5. State Gas Tax (Fuel Tax) - Allan Abbott

Discussion moved to State fuel tax and other ideas for revenue. Allan Hersch asked if the only variable that the City controls is Wheel Tax. Allan Abbott confirmed this and added that the State controls the Fuel tax and the distribution formula. Allan has spoken to the League of Nebraska Municipalities and the City Councils of Lincoln and Omaha. He put forth two options, one was to get more of a share of the State fuel tax to the cities, and the other was for the local governments to have the ability to raise the fuel tax within their area. The League endorsed a

fuel tax increase, however, none of the Cities in attendance thought that their City Councils would raise the fuel tax within their areas. While it was an option, they felt it would be easier if it would be on a state wide basis. The senators would prefer that it be a local option.

Brian Krannawitter asked for clarification as to the statements that Allan Abbott had made at the first meeting regarding the division of fuel tax, sales tax, and registration revenues between Lincoln, Omaha, and the rest of the state. We have 15% of the population, however, we only receive 3% of the revenues. Allan Abbott explained that at the Joint City Council, Jon Camp said that he could not support a tax increase. Camp suggested that the formula be changed. A City Council person from Omaha stated that there was little chance the formula could be changed. There are more rural senators than there are urban senators. Allan does not feel that changing the formula is the solution.

Allan asked if anyone had any ideas about how to increase dollars coming in. Bill Austin stated that a two cent fuel tax increase is a slim to none proposition. Bill suggested in lieu of a City fuel tax, a City wide occupation tax should be considered on the business of the selling gasoline, which the City would have the authority to implement. The hard sell will be on those businesses, who will most likely pass the cost onto their customers at the pump. Chris Beutler asked how much the occupational tax would bring in. Bill explained that it could raise as much as is needed, the statute says that the City can impose the occupational tax on any purchase of a business. There are only certain things that can not be taxed. Allan Abbott pointed out that a penny per gallon would bring in around two millions. This would take Council action, it would not need a ballot vote. The occupation tax would have to be the same amount on all businesses within a category or uniform within a class of businesses. More research will need to be done on this issue.

A second possibility Bill Austin brought up would be to look at the cap on the MERF funds given to the City. The City has been given three million dollars from cigarette tax whether the sales have gone up or down. The 30 cent increase per pack last year did not impact the MERF fund under the current formula. A change in the formula may be worth exploring to see if the money given to the City could float with the increased cigarette revenues instead of having a hard cap.

6. Other Business

Steve Larrick mentioned that at the last meeting there was discussion regarding a tax on impervious services. Allan Abbott noted that those services would include the Stormwater Utility fee, which will be discussed at the next meeting.

7. Agenda Topics for November 21, 2002, Meeting

Allan Abbott expressed that this group will need to get a recommendation to the large committee after the next meeting or the meeting after that. If it is decided on the 21st that another meeting is needed, that should be okay, however, this work group will probably not go beyond that. Our

recommendations and those of the Finance Group will be intertwined. The Efficiency Committee could shrink the gap, however, we will show how to close the gap.

Allan Abbott reminded the group that the Finance Group has asked us to look at not only what is needed in the first six years, but what is needed between year 7 and 12. The efficiency committee in turn will be looking at how quickly we want the City to grow.

8. Adjournment

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